LIBRARY
OF THE
UNIVERSITY
OF ILLINOIS

332
B875
v.17

THOUGHTS

ON THE

Resumption of Cash Payments

BY THE BANK;

AND ON

THE CORN BILL,

AS CONNECTED WITH THAT MEASURE:

IN

A LETTER,

ADDRESSED TO

The Right Honorable the Chancellor of the Exchequer.

BY

A. H. CHAMBERS.

BANKER, BOND-STREET.

London:

PUBLISHED BY T. EGERTON, NEAR WHITEHALL; AND J. M. RICHARDSON, OPPOSITE THE ROYAL EXCHANGE, CORNHILL.

1819.

Printed by G. Hayden, Brydges-street, Covent Garden.

TO

The Right Honorable the

CHANCELLOR OF THE EXCHEQUER

SIR,

UNDERSTANDING that it is the intention of certain parties to bring before Parliament the question of the Bank of England's resuming Cash payments, and to make it imperative on that body so to do, I trust, that both you, and the nation at large, will pardon the presumption of an humble individual, in freely offering his sentiments on the subject; naturally conceiving, that the circumstance of his having been bred in the *monied world,* (to which nearly forty years of his life have been devoted,) may have afforded him an opportunity of forming more correct ideas on so intricate a question, than perhaps the generality of persons

who have not had the benefit of such an education, he is under that impression induced to submit his opinions to the general consideration of the Legislature, before a measure, so replete with danger, if not with positive destruction, to the commerce of the country, be adopted.

I beg to premise that I have no interest beyond that which appertains to other persons of property, for I stand perfectly isolated, and by no means court the favor of the Bank directors, of which indeed they are quite sensible. I have no connexion with them beyond the ordinary civilities induced by individual friendship or acquaintance, as I have, on most occasions, been more disposed to question the resolutions and proceedings of the Directors than to give them my unqualified approbation. I trust, therefore, I shall stand acquitted of any undue influence on my mind in submitting the following observations to you on a subject of such national importance ;—the public welfare being the only object—the only end I have in view.

In taking an impartial review of the relative situation of the Bank of England with the country—as to its resumption of cash payments, it is highly expedient

to consider the benefit likely to accrue, with the injury likely to be sustained by the measure, and then carefully to weigh the advantages against the disadvantages —the conveniences against the inconveniences, and, in the true spirit of commercial calculation, allow the *balance* to direct our judgment and confirm our decision.

The most prominent and not less lamentable inconvenience attending the bank restriction is, the frequency of the crime of, and the consequent numerous prosecutions and convictions for, forgery.

The more extended the circulation may be, the wider, it must be admitted, is the field in which frauds may be practised; yet can any one imagine, that if five or six millions of one pound notes were withdrawn from circulation, and gold substituted for them, that forgery would cease? indisputably it would not.

The encrease of forgery may, in a great degree, be attributed to the improvement in the art of engraving; in which line there are numbers of artists with improved talents; the facility of imitating the Bank note is consequently greater, and, while lying within the power of numerous individuals, the crime must be more frequent.

The Directors of the Bank of England, however, are exerting every nerve to render it more difficult, if not almost impossible to forge their notes, and little doubt is entertained that in a great measure their humane efforts will be crowned with success.

Should the Bank resume cash payments, then will another door be opened to fraud, and coining become more prevalent, as forgery declines.

Great stress has been laid by some on the depreciation of the bank note, when gold rises above the coining price of £3. 17*s.* 10½*d.* per ounce; admitting the fact to be so, and that, if a person be desirous of exchanging notes for gold, he is compelled to pay 5 per cent. more for the obtainment of the precious metal—will that be a reason sufficiently strong to induce the nation to risk its present prosperity, merely to be enabled to say that a man may have nine guineas, one half guinea and sixpence, in exchange for a ten pound bank note?

That high-sounding word—*Exchange*, is then brought forward in aid of the argument. The generality of writers on this subject have fixed their eyes on

the Bank of England as the *arbiter*, and conceive that the paying in gold, or the continuance of a restriction on its issues of coin, regulates the course of exchange; not reflecting that the Bank is rather an occasional receptacle for a redundancy of gold, than a source or mine whence the metal may be derived.

The operation of the Bank is to prevent the price of gold sinking *below* £3. 17*s.* 10½*d.* as at that price it is ever ready to receive it, by issuing its notes in exchange. If, for instance, ten millions were to be carried to the Bank, and notes given to that extent;—when called on, the Bank would be able to restore the full amount.—But if the Bank issue notes on government securities, it will naturally look to Government for their redemption; and so with respect to discounts —if the Government and the Acceptors pay the Bank, that body will, of course, be ready to discharge its obligations—but not otherwise.

There can be no question that when gold can be received for paper even handed, or, in other words, when gold can be procured for its representative value on paper, the exchange will continue with less variation; but this may be considered a consequence of the regularity

of exchange, rather than a cause of it; yet, even when the Bank pay in specie, there will be occasional variations produced by different causes;—transfers from one country to another—for goods bought or sold—from emigration in any great degree;—an army paid in another country, or any other circumstance, increasing the quantum of negotiable paper.

Those writers who have exercised their pens on exchange seem none of them to be clear in their ideas, or to have hit on the true cause of its variations; they have merely considered the drawing and re-drawing of one country on another—whether, when the bills become due, they will or will not be paid in specie; and the relative value of that coin in which they are to be discharged. Unquestionably these considerations have their weight and bearings on the subject; still every one who has ventured to predict, has been prophetically wrong.

Ought we not rather to consider national industry, science, and talent, as the grand regulators of exchange? these combined will ever direct its course; the principal object therefore is to excite productive labor and industry, and whenever the people shall be

fully employed, then will the exchange work itself in favor of the nation. The beneficial effects of this employment spring up imperceptibly, and can only be observed in the results produced;—scarcely ever in their progress or detail.

To excite the national powers becomes then the imperative duty of the State—and how can these powers be set in motion so effectually as by credit and a paper circulation? the first being only a private assurance between individuals—the second, a public and transferrable promise to pay. Check the transferrable claim, and the grand impetus is injured, which at present cannot suffer diminution, without immediately arresting the progress of labor: without payment man will not work; and if he cannot be paid in money, recourse must be had to a transferrable promise; but it is immaterial to the labourer whether he work for gold or a turnpike ticket, provided that ticket will procure him the necessaries of life. This position has been fully illustrated during the late long and arduous struggle; for although the national debt has abundantly encreased, yet has it been accompanied by an extension of national and domestic credit equal to its support, while the resources of the country have been commensurate to

its burdens, and every thing has prospered. Houses have been built—roads formed—canals cut—bridges erected—and agriculture most wonderfully advanced; nor is there a county that has not had its enclosures, or scarcely a science or manufacture that has not been improved; and these all owe their prosperity to what has been called a *fictitious* circulating medium. Even charity, the offspring of abundant riches, in England has been most profuse—nay, almost unlimited. All these result from national wealth—not the accumulation of gold! In England's most prosperous days twenty-five millions of specie was as much as it could boast of possessing. How long would twenty-five millions support its inhabitants? one, two, or six months. —Can gold then be considered as national wealth?— We surely must look to something else!

In taking a comprehensive view of our national circulating medium it will be requisite to consider its amount in relation with that of the national debt, which it is called on to support, as well as with that of the various agricultural, manufacturing, commercial, and professional transactions, each demanding a given quantity to supply their respective daily wants; for it would be preposterous to imagine, that one

thousand millions of debt—an improved agriculture —flourishing manufactures—extended commerce, and professional expenses, can be supported and carried on with the limited means that existed when the debt did not exceed two hundred millions—when the country possessed not a quarter of its present trade, and agriculture was almost in its infancy. Any one who attentively considers the subject will readily perceive that the issues of accommodation from the Bank of England *have not* kept pace with the encrease of debt, a debt which could not be supported by the existing bank notes in circulation, were it not for the co-operation of bankers' credit, country bank paper, and individual credit between party and party.

To the three vowels I, O, U, are attached more operative excellence, more powerful efficacy, than is generally imagined; their combinations give an impetus to every transaction, and urge man and beast into action, without which, the present system could not exist a week; they form the vital principle which directs and animates the whole community, and their being withdrawn would bring about instant annihilation to the prosperity of the empire.

For the moment—let the benefit resulting from the resumption of cash payments be considered, and in the opposite scale let some of the inconveniences be placed. First, if the bank note were convertible into gold, any one might have the satisfaction of saying that he had gold in his purse, instead of bank paper, which, to an advocate for cash payments, might be cause of exultation; but would it give him a grain more wheat with which to make his bread, or an ounce more meat with which to support nature? The goldsmith might, it is true, obtain gold for his trinkets or for exportation on better terms, at the expense of the Bank, and the Exchange might, for a very short period, be brought more in favor of the nation; but these are objects of little importance.

On the other hand, the Bank Directors, if compelled to pay in specie, would naturally say that, as the nation called on them to pay, in like manner they must call on the Government and on individuals for the discharge of their acceptances, which could only be done by re-payment in their notes, thus diminishing the quantity outstanding against them. Does any man, the warmest advocate for taking off the Bank restriction, reflect on what must be the inevitable consequences of

such a proceeding? The Directors, by discontinuing their advances in discounting bills, would give a fatal blow to confidence, and would paralize public and private credit.

It may here be necessary to give those unacquainted with money transactions some idea of the extent of credit which the issuing of one bank note upon discount establishes. To say that a note so issued upon a bill at usance or sixty days for £1000. forms a credit equal to *sixty* times its amount, would be narrowing its sphere of action; it possibly may reach three hundred times its value; that is, supposing it to pass into five hands in the course of each day, (for a bank note is transferred from hand to hand with a velocity not generally comprehended,) it pays at least one bill due on each succeeding day, which at the usance would alone extend the credit afforded to sixty times its amount; for when once a bill is paid, a fresh one is given for a similar period, and thus the credit is generated. A very small portion of bank notes remain for a day inactive, and it frequently happens, that by paying the note into a banker's hands, five, six, or even ten bills are discharged by checks, and adjusted at the settling house, thus, in some degree, illustrating the fore-

going position of credit so created being equal to three hundred or even three hundred and sixty times the amount of the first note so issued from the Bank; or, in other words, it pays five or six bills in the course of each day. This is no hypothesis, but a circumstance of daily occurrence—strange as it may appear that it should not have been treated of before.

Is there any minister who would be bold enough, —nay mad enough, to venture upon a measure which must overturn this state of things? It recals to memory an anecdote of two persons discoursing on religious faith; the one had every assurance in Religion— the other none. If I am wrong, said the man with faith, I am but where I am, but if right—where are you?

The extensive operations of a single bank-note, as supporting credit, explain what has been an enigma to many, who, without this explanation, could never form a conception as to what was the cause of a daily or weekly plenty or scarcity of money; any one who now considers the subject attentively, will instantly perceive, that the Bank's refusing to issue a few hun-

tho usand pounds on discountable bills, in the

course of the week, will produce the latter effect; the occasional extension of discount, or issue of paper, either by the Bank or the Government, or the withholding it, giving rise to, or checking a credit at the lowest computation, in a sixty-fold ratio. Thus £100,000 would give a daily credit, amounting in the whole to 6,000,000, or take up bills to the amount of 100,000 daily, for sixty successive days, before the original bank note became repayable into the Bank. For instance, A. obtains money, say £1000, on his bill, discounted at sixty days date, given for goods the 29th October, with three days grace added, which three days are supposed to have run off before the bill is converted, and due the 1st of January, on which day it is to be repaid. On the 2d November, A. pays it to B, who with it takes up his acceptance before given—on the 3d, C. does the same—on the 4th, D. the same, and so on for sixty days; thus giving in the way of credit, sixty times the actual amount of the note; or, what is the same thing, contributing to the general operations of commerce, £1000, for *each* of sixty days.

The payment of Duties on any particular day, on West or East India produce, into the Bank, on account

of Government, causes a temporary scarcity. In like manner the accumulation in the public coffers from taxes to pay the quarterly dividends, uniformly creates a scarcity for the time being, which would be most severely felt, did not the necessities of the Bankers and merchants carry them to the Bank with their bills in their hands to have their wants relieved; when, ere a few hours have expired, the circulating wheel is again set in motion, and all goes on prosperously, to the comfort and satisfaction of the majority of the monied world; hence it happens that money is more plentiful on Fridays;—Thursdays being appropriated for discounting London drawn bills. On Wednesday preceding the day for general discounts, money is usually more scarce.

It may be adduced in opposition to this argument, that whenever money is in abundance, the discounts at the Bank are less, proceeding not from a want of bills, but that the merchants do not so freely apply to the Bank for assistance.

This fact being granted, still the money (*i. e.* bank notes) almost invariably flows in the first instance from the Bank, whence in general it can only proceed; for

it rarely occurs that the profit upon merchandize can by itself be so considerable as to make money plentiful; if it had that effect, the exchange would instantly turn in favor of England, and the price of gold would decline.

In times of plenty, individuals having an excess of money, supply the place of the Bank, by discounting paper, with the profit resulting from any favorable speculation in the funds, in which the Government becomes a loser, in proportion as the public is the gainer; this state, however, of the monied market seldom happens, but when the funds rise considerably above the price at which the contracts for loans have been made; individuals then enabling the bankers to discount: this acts precisely in the same manner as if proceeding direct from the Bank. The Government, to enable the Commissioners to purchase, obtains advances from the Bank, or on the sale of Exchequer bills; while the profit accruing to individuals from the sale of stock to the Commissioners, although it may not exceed one or two millions, establishes the plenty alluded to; and acting as an almost incomprehensible source, establishes an extended credit. The Bank, in one way or another, is the original lender, and to it the nation *must*

look for the support of general credit. Recently, when the three per cents. had risen to 84. money instantly became in great abundance, so *vice versa* now that the funds have fallen considerably below the price at which the last Exchequer bills were funded, and that the Commissioners have invested ten millions, perhaps after the rate of five per cent. loss to the individuals supplying the stock, money has become more scarce and more in request, so as even to cause inconvenience to many individuals; now if half a million thus creates distress, what would the withdrawing four or five millions occasion? certainly more than a *tenfold* inconvenience, as compared with that lately experienced; because, although five millions may, on paper, be but ten times half a million, yet panic would come in aid, and thus multiply the evil with accumulated force.

It is to these fluctuations that the extension or diminution of credit, acting either way in perhaps an hundred fold degree, is to be attributed; and it is by the favorable changes in loans, that individuals have amassed such large fortunes, which indeed the country could never support, did not the fortunes so accumulated furnish, in the aggregate, a supply to the annual collection of taxes; and thus, in a great degree, uphold their own

income. Those who possess this species of property, seem for ever jealous of, and at variance with the landed proprietor; they cavil at every advantage or chance of prosperity which he appears to enjoy; forgetting, that if the landed proprietor did not participate in the general benefit, by raising the price of the produce of the soil, the fund-holder could not receive his dividend. The stockholder is ever upon the alert to exclaim against any rise in the price of grain and envious of the landed proprietor raising his rent. Whenever any proposition is even hinted at to enhance the price of corn to enable the grower to cultivate it, and which chiefly supports the monied interest, he becomes alarmed in the extreme, lest the price of corn should be raised to its due standard.

It is the equilibrium alone which can regulate all money transactions—which can bring the exchange to par—gold to its regular price; and possibly bring back the former in favor of England. At this juncture stockholder, manufacturer, and even landed proprietor, are all troubled and uneasy at not possessing gold the instant demanded—ever true to the nature of man—ready at all times to accept of an advantage,

though reluctant to make the smallest sacrifice for its attainment.

Had it never occurred to place a restriction on the Bank payments, where would the funded interest be at this moment—or the landed either? for it equally affects both—and yet combined with the manufacturer, all are clamorous for something they know not what, beyond that which must lead to the destruction of all —by throwing impediments in the way of Government.

Were such transactions wholly confined to the Bank, which discounts the greater portion of mercantile bills, the credit would be confined to sixty-fold, as the note could only pass into the Bank, once in a day, and a fresh note made out for a new bill the succeeding one; but the action on bills in the Bank is limited, compared with the operation which takes place out of the Bank—for the note not only serves to pay bills, but it discharges drafts for all stock transactions in which the drawing and redrawing are enormous, and only adjusted at the settling house, where frequently an hundred thousand pounds may be adjusted by one single note of £1000; for instance, A.

has an account with Wilkinson and Co. and draws upon that firm for £100,000. B. has a similar account with Robertson and Co. and draws upon them for 99,000; Robertson and Co.'s clerk exchanges the draft for ninety-nine thousand, with Wilkinson and Co. giving a note for £1000. which makes up the £100,000. In this instance it is clear to the comprehension of every one, that the single thousand pound note supports the credit of £100,000.—for *supporting* and *generating* credit are nearly synonimous terms, though not exactly the same.

Is a system, which thus excites and sustains the energies of the nation, to be endangered? and for what? merely to try an experiment, as to whether the Bank's resuming payment in specie will so far act on *the price of gold,* as to reduce it to £3. 17*s*. 10½*d*. per ounce—and on *exchange*, so as to make it turn materially in favor of England. The consequences must be manifest to the most common understanding, and they are too serious to render it prudent that the project should be entertained one moment, even in contemplation.

The frequent animadversions cast on the conduct of the Bank Directors for encreasing their dividends

previous to a general discharge of their notes with gold—and the unfavourable deductions made, that, from the circumstance of their having so done, they are bound, in common justice, to pay in specie in July —call for a reply.

The question turns on one single circumstance—would it be politic or impolitic in the Bank so to do?—reserving our judgment unbiased by any latent species of resentment against that establishment—under an impression that it has erred.

Admitting the act to have been premature, or even injudicious, will that be a reason sufficiently cogent to justify a measure which would entail ruin on many individuals, and inextricable difficulty on the whole community? to render stagnate every exertion, and paralize every species of profitable labor; and that from a principle of party spirit—rancour—retaliation, and possibly less justifiable motives.

Let every man who is a well wisher to good order and regular government be cautious how he affects the current proceedings of the Bank. The more wily and disaffected know, full well, that whilst the Bank

remains unassailed, little is to hoped for—aware of its being the grand pillar on which the stupendous system of the state is supported, they predict, and with reason, that if they could but once attack with success, and shake this national bulwark, the whole fabric would soon fall to the ground. Hence it behoves every legislator to become jealous of the insidious artifice, to weigh well the inevitable consequences, and reflect how soon such mistaken notions may recoil on himself; for there is scarcely a single station in society which would be exempted from its baneful influence.

In justification of the Bank Directors, candour must allow that they had no alternative but to increase their dividend $2\frac{1}{2}$ per cent. that is, as it was termed, increase the capital stock one fourth—or to expose all the transactions of the Company, and at one view exhibit how much was lent to Government—what on discount and other securities, and what the amount in bullion, &c. They wisely adopted the more prudent measure, and satisfied the clamours of the proprietors.

The deplorable effects of checking circulation by the want of daily discounts, even for a very short period, have recently been evinced in France, and had

nearly proved fatal to the majority of capitalists; this, indeed, would inevitably have been the case, had it not been for the assistance afforded by English capital. The Bank of Paris, from the great demands on it, was compelled to curtail its accommodations, and lessen its discounts; the consequence, every one knows, was a most serious depression in the price of the public funds, and the ruin of many individuals.

Those little acquainted with the subject may consider the circumstance of the fall in price of a national stock, or that of individuals becoming bankrupt, as of trivial importance; as, indeed, such events may be considered when the effect of any accidental cause; and objectors may ask of what general importance is the failure of this or that concern?—forgetting that mercantile men are like a number of wooden pins —one overthrown knocks down many—all shake and are placed in a state of trepidation, not knowing who will fulfil his engagement—who will not; for if Thomas does not pay John, John cannot pay William. Mankind are, and, in society, inevitably must be, dependent upon each other, existing but by mutual support. Individuals may fail to the injury of their connexions; but a public injury, sustained from

any false stroke of state policy, may produce consequences irretrievably fatal to the prosperity of the whole Empire.

The experiment of compelling the Bank to pay in specie is by no means a trifling one—it is unprecedented—the national Credit can only be compared to a banking house—once check its credit, and it becomes scarcely possible for it to resume its commanding station.

Let any one contemplate what would be the result of the Bank of England's withholding from circulation, only for two months, six, eight, or ten millions; during the intermediate period between money going out of the kingdom and its return, if peradventure it did ever return! and which it must of necessity have recourse to, if obliged to resume cash payments; the foundation of every man's credit would be shaken, and the public funds reduced 40 or 50 per cent. in value. This, acting on real property, would bring that down to a level, and the man who conceived that he possessed an estate worth £100,000, on which he had borrowed £50,000, would discover that he was destitute of the property he once possessed; in short, it is easy to foresee that every

thing would be suspended and thrown into confusion. The Taxes would not—could not be collected—the Dividends would not be paid—the Agriculturalist must cease to employ, for want of capital to pay his way—the Manufacturer would be unable to satisfy the Artizan on Saturday night, from the check credit must receive by the failure of Country Banks, and every undertaking or business, as well as the Country at large, would be thrown into a state of anarchy and tumultuous distraction.

Whenever public credit shall be shaken by any severe shock or impolitic measure, the value of lands must consequently fall, since the public funds, in a great degree, are the counterpoise of their estimated value. In purchases, generally speaking, Stock is the representative of the Land, the bank notes being the medium only or pivot on which the transfer rests for a very short time; the estate is in fact converted into a given quantity of claim upon the national revenue, and if those claims diminish in their value, the Land must lose its powers in a proportionate degree. Suppose, for example, an estate to be valued at the present moment at £200,000. annihilate the national debt, and reduce the circulating medium of paper, and it

might not produce £5,000. Then would also follow a reduction of wages of every kind, from twenty shillings per week to one shilling, or from ten shillings per week to one penny per day, as it was in former times—the quarter of wheat would be reduced to three or four shillings—meat one halfpenny per pound; and to what would it all tend, but to an equalization of labor and prices with the quantity of money or circulating medium?

Supporting, therefore, the price of the public funds is of the greatest importance to the landed interest, for this regulates and fixes the value, not only of lands, but of almost every other species of property.

It may be asked, when is the period at which the Bank is to resume cash payments, or is it never to arrive? To which it may be answered, whenever the price of gold shall be so far reduced as to bring it down to *3l.* 17*s.* 10½*d.* per ounce. This would probably be brought about by raising the importation price of corn to ninety or one hundred shillings, and thus encouraging the English Agriculturalist to employ those individuals who at present remain a dead weight on the Poor's Rates, and, continuing in a state of indo-

lence from the want of occupation, are fed by foreign corn, whilst they ought to be employed in raising their subsistence at home. If corn ceased to be returned for merchandize and manufactures exported, it is natural to presume, that a considerable portion of gold would be substituted in payment for goods received, or, if not, that foreign articles, liable to pay their respective duties, on importation, to the increase of the Revenue, would be sent in exchange; now, as the Revenue augmented, the Government would the sooner be enabled to discharge its debt to the Bank, and place the finances of that body in a more favorable situation, by returning the notes received from, and which are now outstanding against, it.

With respect to the Corn-bill, as a relative measure connected with the Bank resuming Cash payments, I cannot but reply to some of the arguments adduced against it, when debated in the Houses of Parliament.

An honorable member of the House of Commons ironically asked, if it would be advisable to raise, by restrictions on the importation of Corn, the price to such a point as to enable the farmer to use a "watering pot" to encrease his quantity? On that subject

an issue is joined with the worthy member, whose opinions on most points are entitled to the highest respect; but he must not be allowed to withdraw under the persuasion, that policy turns the argument in his favor—quite the contrary; for, his opinions, on reconsideration, may possibly be somewhat altered, by laying down the following position for his reflection, viz. that if, by employing all the idle hands, or husbandmen out of work, throughout the Kingdom, they would be enabled to produce more corn than would supply their wants, (watering pot and all,)—if their labors produced only one pint of wheat from each man, beyond his own support, it would be the most politic measure which could be adopted. What can be so strong an incentive as holding up to the Agriculturalist the expectation of remuneration by an extended price; or, at least, the reasonable assurance that he should have no foreign competitors, on more favored terms than himself, if he had not an exclusive market?

It may be laid down as an incontrovertible axiom, that man, in every country ought, by some means, to gain his own subsistence, and not depend on a foreign supply for that which can be raised at home. Ought

he not to make any sacrifice rather than resign his claims to independence by supporting himself, and becoming a proud and useful member of society; demanding from his country a just recompense for his exertions, instead of being obliged, reluctantly, to exist on alms, because compelled to remain unemployed.

On the subject of the right in the labourer to expect a just and adequate compensation in return for his exertions, it may not be improper to advert to the manner in which, through various districts, the agricultural workman is paid. His weekly wages are raised half from the pocket of the farmer, and the remainder from the Poor's rates—increasing the charge upon the householder, and compelling him to contribute his quota to the relief (not of the husbandman) but of his employer. To remedy this evil, be it suggested, and thrown out for general consideration—whether it might not be just, humane, and politic, to pass an act, empowering the Justices at the quarter sessions to fix a standard for weekly or daily labour through each district or county for the ensuing quarter of the year? This, it is presumed, would, in some measure, obviate those constant misapplications of the Poor's

funds. Man, woman, and child, ought to receive a regular and fair remuneration for work performed; and if, as it may be contended, that one man is inferior to another, the farmer would have the selection of the hands he employed at daily wages, while the inferior workman would be appointed to piece work, or, as it is termed, *by the great;* such a plan would not be infallible, yet some of the existing inconveniences might possibly be removed.

By holding up temptations to cultivate—by establishing import prices, so far as the nature of the circumstances may admit, proportionate to the expense of growing corn, or even higher than merely to maintain the grower, individuals would be induced to apply their whole resources and talents to the production of grain; hence idle hands would be set in motion, and if, as may be apprehended, the price of Corn should for any length of time greatly exceed the price at which it has been grown, and be above the price of daily labour, would not labour rise in due proportion? for one man will not long continue to work for another at a price which will not support him, and the extended price of his produce would dispose the farmer to pay a higher rate for services received.

To illustrate the subject fully, and shew the policy of the measure, suppose a community to consist of six persons—*A.* and *B.* agriculturalists—*C.* and *D.* manufacturers—*E.* and *F.* labourers out of employ; and that *A.* and *B.* by their labour, could support their own wants and those of *C.* Will it be prudent to procure corn from foreign markets to support *D.* *E.* and *F.* exporting the product of *C.* and *D.* in exchange for corn, rather than induce *E.* and *F.* to work in husbandry and produce it for themselves, and *D.* also? by these means the work of *C.* and *D.* would be exported and exchanged, probably for gold, or foreign commodities, subject to the payment of duties, on importation, instead of corn, and thus the Revenue would be encreased. Gold and corn cannot be had at the same moment—if the former be insisted on, the latter must be relinquished under the present system of providing for pauperism; but by giving constant profitable employment at home, both may be obtained.

This, it is probable, would beneficially alter the course of Exchange, more immediately and more certainly than any compulsion on the Bank to pay in specie. The encreased importation of corn has been adduced as a reason for withholding encouragement to

the Agriculturalist, and it has also been urged in argument to shew, that the improvements in Agriculture have been of little avail—without reflecting that the population has encreased in a very astonishing degree, and that, without an improved system of Agriculture, the additional numbers could not have been fed. The application of productive labor is the grand lever by which agriculture is promoted; and when it is considered that there are many thousand acres cultivated at an annual expense of £50, £100, and even £200, per acre; and that there are millions of acres on which £2, are not annually expended, but which, by a due application of labour, might, were the cultivation extended to £10, amply repay the extra expense; the question naturally presents itself, would it not be the best national policy, to appropriate such lands to a more abundant produce of grain, in like manner as an extensive farm, if managed under the spade, instead of the plough, repays the expense of manual labour, equally well as under other modes of cultivation?

Were the whole of England managed in a similar manner, would it not be most fortunate for the Kingdom? thrice the quantity of corn acquired under the present system might possibly then be raised. What

can offer so strong a temptation for a man to raise a large quantity of corn, as the assurance of his having the preference of markets up to a given standard?

Were the import price of wheat raised to £5. per quarter, and other grain in proportion, the home market would, most likely, be well supplied, and that, probably, on the average, at a less price, from the promise of gain, although the actual prices might not realize that expectation. At any rate, the unemployed husbandman would become a productive labourer, so far as to supply his own wants, and by relieving the poor's rates, enable the farmer to bring his corn to market on more reasonable terms, although the prospect of high prices might have been really his excitement to additional exertion.

Apprehensions have been entertained that in the event of the import price being raised to £5 per quarter on wheat, the farmer would monopolize the grain—than which nothing can be more absurd—a combination of all the British agriculturalists! a marvellous union indeed—provided they had the means of carrying their intentions into effect; but in the aggregate they are too poor, many being incapable of dis-

charging their rent with punctuality, much less of entering into a long and doubtful speculation.

If speculation be to be dreaded, how much more probably is it to be feared from the merchant? He never excites astonishment though he import twenty thousand quarters, and hold them on hand a year or more; now if the prime cost and expenses only reached three pounds per quarter, the investment would amount to sixty thousand pounds. To carry on an equally extensive rural speculation it would require twenty farmers, each growing one thousand quarters of wheat—or if each acre produced three quarters, three hundred and thirty-three acres must be applied by each to the growth of that grain; but as wheat can only grow every fourth or fifth year, it would require 1332 acres of arable land to be farmed by each. Thus then it would demand twenty persons farming 26,640 acres, and those all under the plough, to accomplish that which the merchant is enabled to do by a single stroke of his pen.

A short time since, two poor labourers, E. and F. without shoes and stockings, in the inclement season, were boiling turnips under a hedge, to supply the ur-

gent call of hunger, without either meat, bread, or even a little salt. They were desirous of finding work to earn a daily subsistence. Would not the information that C. and D. were exerting their talents to bring corn from other countries at a cheaper rate have been an insult to their misery, and might they not in reason ask, in what manner can corn be procured so cheap as by employing us starving mortals to produce our own food? The manufacturing system is neither more nor less than making the work of two men supply the necessities of four—if the other two be not starved, they are, under the most favorable circumstances, kept in a starving condition. Persons there are who may attribute the foregoing fact to a redundant population; but those who consider the subject deeply and impartially will treat the idea of a country like England, having a redundant population, with contempt. There never can be a redundant population in any country, where there are lands still capable of improvement and equal to the support of the extra numbers. In China, where even the barges on the rivers are made productive, by placing in them boxes of vegetables, there may be an excess of human souls; but it never can happen where an acre of ground lies unappropriated or unimproved, more especially where there are mil-

lions of acres, some not half productive, and others, for want of man's labor, producing nothing, or even worse than nothing—bogs, breeding pestilence. It is the misapplication of man's powers, or the not bringing those powers into proper action, which suggests the idea of an excess of population; and we satisfy our minds and dismiss the consideration in that hasty manner, rather than look the inconvenience boldly in the face, and meet false principles and popular clamour manfully and with effect. The defect lies wholly in the want of incentive or of remuneration for the expense bestowed. Why are the Dutchman and the Polander fed at the expense of the English freeman—if freeman he can be considered in such an abject condition?

That horrific Bugbear, a National Debt, which has so long alarmed the whole nation, is daily lessening in terror, and its weight must diminish in an increased ratio, from two different causes, the one, an accumulation of the sinking fund, the other, an augmentation of the means to support it. Nominal wealth is encreasing almost hourly; the rise in the Funds itself feeds the Revenue, and swells the amount of taxes;

the probates of wills and amount of legacies—bridge and canal shares—roads—tram-roads—houses—with every other species of property improved, require *ad valorem* stamp duties on assignment, auction duty, &c. all contributing to the support of the national debt.

The danger attending a national debt is more to be apprehended in its progress, than when it becomes stationary, or is about to be diminished; for, in the first instance, the danger takes place at a moment when the wants of Government are pressing and imperative, and it may happen that, from the necessity of urging the political wheel with great velocity, it may acquire too rapid a motion and take fire; or, to drop the metaphor, the productive labor may be inadequate to the support of the unproductive; and while the Government is calling for supplies and taxes, the people may become clamorous, and rise upon each other to the disorganisation of the state; but this can never occur when the nation reposes in peace, and when industry takes its course uninterruptedly, thus reinstating confidence, and causing the encrease of the revenue, and the comfort of the people.

Surely there can be very few who will not allow that the facts are in favor of the argument, for all must admit that, in the aggregate, the people are better fed, better clothed, and better housed, than at any former period, or, comparatively, than in any other country, although bread in some states may be at one half the price it is in England. Is this prosperity? or is it misery? If it be not owing to war and credit, why are we better off than at any former period, or than the inhabitants of any other country in these three grand sources of comfort? Candor will surely assert to the position!

Thus then lies extended and exposed the enormous imaginary Serpent—the Monster of the deep, our national debt—which, by terrifying mankind, called forth all our energies; which first raised its immense bulk on the American shores, and filled the world with wonder that such a monster could exist at all; but more astonished were the civilized nations as to what it could feed on, not reflecting that it preyed on itself—was its own support, and must in time become perfectly inoffensive. Suffer it but, for the present, to remain tranquil, floating undisturbed on the waters, and it may hereafter without danger be attacked; and,

if judiciously cut up, may serve to enlighten the darkness of mankind.

I have the honor to be,

Sir,

Your most obedient,

humble servant,

A. H. CHAMBERS.

Bond Street,
1st January, 1819.

FINIS.

Hayden, Printer, Brydges Street, Covent Garden.

UNIVERSITY OF ILLINOIS-URBANA
3 0112 062406787